

**SENATE EDUCATION AND EMPLOYMENT
LEGISLATION COMMITTEE**

**Building and Construction Industry
(Improving Productivity) Bill 2013 [No.2]**

**Building and Construction Industry
(Consequential and Transitional
Provisions) Bill 2013 [No.2]**

SUBMISSION BY AUSTRALIAN CONSTRUCTORS ASSOCIATION

FEBRUARY 2016



AUSTRALIAN CONSTRUCTORS ASSOCIATION

SENATE EDUCATION AND EMPLOYMENT LEGISLATION COMMITTEE INQUIRY:

- **Building and Construction Industry (Improving Productivity) Bill 2013 [No.2]**
- **Building and Construction Industry (Consequential and Transitional Provisions) Bill 2013 [No.2]**

SUBMISSION BY THE AUSTRALIAN CONSTRUCTORS ASSOCIATION (ACA)

The Australian Constructors Association (ACA) represents leading construction and infrastructure contracting companies operating in Australia and is dedicated to promoting a sustainable construction industry for Australia.

The ACA member companies have a combined annual turnover exceeding \$50bn and employ over 100,000 workers with many more being employed through subcontractors providing services to ACA members.

A list of ACA members is attached (**Annexure 1**).

ACA member companies operate in a number of market sectors including:

- **Engineering construction incorporating public and private sector infrastructure**
- **Commercial and residential building**
- **Contract mining**
- **Oil and gas operations**
- **Process engineering**
- **Telecommunications services**
- **Environmental services**
- **Maintenance and related services**

THE BUILDING AND CONSTRUCTION INDUSTRY

The building and construction industry is the third largest industry in Australia. It represents approx. 9% of GDP and employs around 1 million workers.

The building and construction industry is critical to the ongoing development of the nation, being responsible for building the homes, workplaces and infrastructure which impact upon the daily lives of every Australian individual and business operator.

THE ACA POSITION

Background

The ACA strongly supports the *Building and Construction Industry (Improving Productivity) Bill 2013 [No.2]* and *the Building and Construction Industry (Consequential and Transitional Provisions) Bill 2013 [No.2]*.

The building and construction industry has a reputation as being a “tough” industry, and it may be said that such a concept impacts on the way in which people and organisations connected with the industry have conducted their daily interaction and business operations.

However, that perceived toughness pervading industry operations has been taken much further by a range of industry participants in a way that has been adversely affecting the industry as a whole.

Whether people or organisations have been acting inappropriately in a commercial sense, or their personal actions and behaviour have been outside the normal bounds of respect for individuals or organisations, there is no place in a modern society and in a modern construction industry for those individuals and organisations to stay connected with the sector.

A failure by industry participants (whether employers or employees or their representative bodies) to comply with the laws governing the industry has both financial and long term operational implications for the industry. A failure to comply with the rule of law and a disregard for, or lack of respect of, the rights of individuals and businesses may lead to increases in construction, funding and financing costs, as well as adversely affecting the capacity of the industry to recruit and retain the workers that are vital to the industry’s long term sustainability.

The difficulty that the industry has had in maintaining an appropriate compliance regime has been evident through the number of royal commissions and other inquiries conducted over the last 25 years. All of these inquiries (established by governments of different political persuasion) have identified very significant non-compliance issues that just do not appear to be reflected in most other industry sectors. The findings of the most recent royal commission (the Heydon royal commission) are just a further example of the problems facing the industry.

The response by the governments and parliaments of the day to the reports of those royal commissions and other inquiries was to establish specialised groups with significant powers to investigate unlawful and inappropriate practices. They did this because it was recognised that the industry needs an effective regulatory approach implemented by people who are fully focused on the task at hand.

The Australian Building and Construction Commission (ABCC) was established as a result of the findings of the Cole royal commission. The re-establishment of that entity with attendant legal powers and capacity was recently recognised by the Heydon royal commission. The ongoing need for an entity with extensive powers had also been recognised by former Justice Murray Wilcox who was appointed in 2008 by the Gillard government to review the ABCC legislation.

The deterrent effect of the mere existence of effective, properly empowered and resourced, organisations cannot be underestimated. The ACA submits that the passage of the Bills, resulting in the reintroduction of the ABCC with its former powers, will reduce the pressures being faced by the Australian building and construction industry by re-establishing the rule of law and balancing the power equilibrium. This will, in turn, assist the industry to change the culture associated with it and enable it to attract more workers who will be committed to the long term sustainability of their industry.

CONCLUSION

The ACA urges the Committee to ensure the ongoing productivity and sustainability of the Australian building and construction industry by recommending that these Bills be passed without delay.

February 2016

Annexure 1: Members of the Australian Constructors Association

- ▶ Acciona Infrastructure Australia Pty Ltd
- ▶ BGC Contracting Pty Ltd
- ▶ Brookfield Multiplex Australasia
- ▶ Clough Limited
- ▶ CPB Contractors Pty Limited
- ▶ Downer EDI Limited
- ▶ Fulton Hogan Group Ltd
- ▶ Georgiou Group Pty Ltd
- ▶ Grocon Pty Limited
- ▶ Hansen Yuncken
- ▶ John Holland Group Pty Ltd
- ▶ Laing O'Rourke Australia Construction Pty Ltd
- ▶ Lend Lease Building Pty Ltd
- ▶ Lend Lease Engineering Pty Ltd
- ▶ McConnell Dowell Corporation Limited
- ▶ Probuild Constructions (Aust) Pty Ltd
- ▶ UGL Limited
- ▶ Watpac Limited